



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Conduct a Public Hearing to Introduce an Ordinance Establishing a Fee Recovery Schedule for the Lodi Energy Theft Diversion Program

MEETING DATE: November 16, 2011

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Conduct a public hearing to introduce an ordinance establishing a fee recovery schedule for the Lodi Energy Theft Diversion Program.

BACKGROUND INFORMATION: Earlier this year, the Electric Utility Department launched the first phase of a program designed to curb the theft of electricity. Since July, when staff began tracking numbers, the utility has randomly checked 660 residential customers who were sealed for non-payment of their City of Lodi electric utility bills. Of these customers, 46 were observed having restored their electricity without the City's prior knowledge or consent. As a result of identifying these thefts, the City has received more than \$42,100 in utility payments from customers who were unlawfully receiving Lodi Electric Utility service, lessening the impact these thefts have on our ratepayers.

In an effort to fully recover costs associated with our energy theft diversion program, and to serve as a deterrent to energy theft, staff is recommending a new fee recovery schedule as shown on Exhibit A, attached. This fee schedule is the subject of this public hearing.

FISCAL IMPACT: It is anticipated that the utility will recover in excess of \$75,000 annually as a result of this aggressive energy theft diversion program, and the new fee recovery schedule should garner an additional \$50,000 in revenue, minimizing the amount of losses absorbed by ratepayers.

FUNDING: Not applicable.


Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Manager, Customer Service & Programs

EK/RSL/1st

APPROVED: 

Konradt Bartlam, City Manager

Exhibit A**Energy Theft Diversion/Field Services Fee Recovery Schedule****Service Fees (based on current fully burdened labor rates)**

Theft Inspection Fee	\$75.00
Field Services Field Trip Fee	\$75.00
Service Cut-At-Pole Fee	\$120.00
Meter Set Fee	\$115.00
Damaged Meter Test Fee	\$57.50

Material Fees (actual costs)

Meter Ring Fee	\$17.00
Padlock Fee	\$7.00
Meter Cover Fee	\$3.00
Damaged Meter Replacement Fee: Single-Phase/Poly-Phase	\$60.00/\$450.00
NightHawk Collar/Meter Replacement Fee	\$300.00/\$430.00

Vehicle & Equipment Fees

Based upon the current City of Lodi Electric Utility Department Rules and Regulations.

RESOLUTION NO. 2011-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING FISCAL YEAR 2011/12 ENERGY THEFT
DIVERSION AND CUSTOMER FIELD SERVICE FEE
RECOVERY SCHEDULE

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WHEREAS, it is sound business practice to adjust fees annually to reflect the current cost of doing business; and

WHEREAS, fees for customer field services and associated tasks have not been revised in a number of years; and

WHEREAS, the City is now implementing an aggressive energy theft diversion program and associated cost recovery schedule; and

WHEREAS, the City Council has previously approved the labor rate methodology developed by MGT America, Incorporated; and

WHEREAS, the labor rates for the Electric Utility Department have been calculated using the MGT America, Incorporated rate model; and

WHEREAS, annual approval of labor rates based upon the adopted budget is a ministerial action.

WHEREAS, staff recommends that the City Council approve the following fee schedule:

Energy Theft Diversion/Field Services Fee Recovery Schedule

Service Fees (based on current fully burdened labor rates)

Theft Inspection	\$75.00
Field Services Field Trip Fee	\$75.00
Service Cut-At-Pole Fee	\$120.00
Meter Set Fee	\$115.00
Damaged Meter Test Fee	\$57.50

Material Fees (actual costs)

Meter Ring Fee	\$17.00
Padlock Fee	\$7.00
Meter Cover Fee	\$3.00
Damaged Meter Replacement Fee: Single-Phase/Poly-Phase	\$60.00/\$450.00
NightHawk Collar/NightHawk Meter Replacement Fee	\$300.00/\$430.00

Vehicle & Equipment Fees

Based upon the current City of Lodi Electric Utility Department Rules and Regulations.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the fiscal year 2011/12 Energy Theft Diversion and Customer Field Service Fee Recovery Schedule as outlined above; and

BE IT FURTHER RESOLVED, that the 2011/12 Energy Theft Diversion and Customer Field Service Fee Recovery Schedule will take effect 30-days following the adoption Ordinance No. 1855.

Dated: _____, 2011

I hereby certify that Resolution No. 2011-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held _____, 2011, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2011-____

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING
LODI MUNICIPAL CODE CHAPTER 13.20 – ELECTRICAL
SERVICE – BY ADDING SECTION 13.20.020, “ENERGY
THEFT DIVERSION/FIELD SERVICES FEE RECOVERY
SCHEDULE”

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BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20 – Electrical Service is hereby amended by adding Section 13.20.020 “Energy Theft Diversion/Field Services Fee Recovery Schedule,” and shall read as follows:

Section 13.20.020 Energy Theft Diversion/Field Services Fee Recovery Schedule

A. PURPOSE: The Lodi City Council finds and determines that there is and has been a rise in utility theft in the City of Lodi whereby electricity services are being obtained without payment, including but not limited to, shutoff costs, meter tampering, damage to or removal of meter locking devices, energy diversion or theft of electric service, resulting in substantial monetary losses to the City’s ratepayers in the form of, including but not limited to, loss of revenue, replacement of damaged meters, meter testing fee and other related equipment replacement or repair costs, personnel time in investigating and remedying theft matters, investigative costs and attorney’s fees. The purpose of this ordinance is to establish clear guidelines for the processing and recovery of revenues related to theft as well as costs, fees and expenditures incurred by the City as a result of utilities theft as described herein.

B. ADOPTION OF FEES: The Lodi City Council shall from time to time establish by Resolution fees to be charged to utility account holders where the City incurs costs as a result of nonpayment, meter tampering or actual or attempted theft of energy. Costs shall not exceed actual cost. Fees shall be limited to the following:

- 1) Theft Inspection Fee - shall be charged upon an inspection that shows that the meter has been tampered with or that the meter has been bypassed.
- 2) Field Services Field Trip Fee - shall be charged on accounts that are sealed for nonpayment.
- 3) Service Cut-At-Pole Fee – shall be charged on accounts that cannot be turned off at meter box when sealed for nonpayment or on accounts that the meter has been bypassed or tampered with.
- 4) Meter Set Fee – shall be charged when a meter must be replaced when the meter has been tampered with or bypassed.
- 5) Damaged Meter Test Fee – shall be charged when a meter must be tested after the meter was tampered with or bypassed.
- 6) Meter Ring Fee – shall be charged when meter ring must be replaced after the meter was tampered with or bypassed.
- 7) Padlock Fee – shall be charged when padlock must be installed or replaced

after the meter was tampered with or bypassed.

- 8) Meter Cover Fee – shall be charged when meter cover must be replaced after the meter was tampered with or bypassed.
- 9) Damaged Meter Replacement Fee – shall be charged when meter is unrepairable and must be replaced after meter was tampered with or bypassed (separate fees for Single-Phase and/or Poly-Phase).
- 10) Nighthawk Collar/ Nighthawk Meter Replacement Fee – shall be charged when Nighthawk Collar and/or Nighthawk meter must be replaced after the meter was tampered with or bypassed.
- 11) Vehicle & Equipment Fees – shall be charged based upon the current City of Lodi Electric Utility Department Rules and Regulations, Appendix A, page A-1.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

2011

Approved this ____ day of _____,

Attest:

BOB JOHNSON
Mayor

RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held November 16, 2011, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2011, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER
City Attorney

Lodi Electric Utility (LEU) Energy Theft Diversion/Field Services Fee Recovery Schedule

Lodi City Council
Public Hearing
November 16, 2011



LEU Energy Theft Diversion/Field Services Fee Recovery Schedule

Purpose of new fee schedule:

- Recover costs associated with energy theft cases *and* seal of service for non-payment
- Deter future energy thefts and reduce seals for non-payment



LEU Energy Theft Diversion/Field Services Fee Recovery Schedule

Statistics – theft diversion (as of Nov. 14, 2011):

- 745 customer inspections
- 48 energy thefts observed (6%)
- \$42,171 collected as a result of service being terminated a second time



LEU Energy Theft Diversion/Field Services Fee Recovery Schedule

Proposed Fee Recovery Schedule:

Fee	Current	Proposed
Theft Inspection	\$ 0	\$75
Field Services Field Trip	\$33	\$75
Service Cut-At-Pole	\$68	\$120
Meter Set	\$84	\$115
Damaged Meter Test	\$ 0	\$57.50
Meter Ring	\$ 0	\$17
Padlock	\$ 0	\$ 7
Meter Cover	\$ 0	\$ 3
Damaged Meter Replacement:		
Single-Phase/Poly-Phase	\$ 0	\$60/\$450
Nighthawk Collar/Meter Replace	\$ 0	\$300/\$430



LEU Energy Theft Diversion/Field Services Fee Recovery Schedule

Proposed Fee Recovery Schedule (continued):

– Customers will also be charged “Vehicle & Equipment Fees” based upon Electric Utility Department Rules & Regulations:

- Line truck \$15
- Service truck \$ 4
- Van/passenger vehicle \$ 3



LEU Energy Theft Diversion/Field Services Fee Recovery Schedule

How do some of these fees compare?:

	Lodi	MID	TID	Alameda
Theft Inspection	\$75	\$145	\$250*	Actuals
Field Services Field Trip	\$75	\$55	\$75*	\$175
Services Cut-At-Pole	\$120	\$155	\$125*	\$125
Meter Ring	\$17	\$12.50	\$13	N/A
Padlock	\$7	\$9.50	\$13.50	N/A
Meter Cover	\$3	\$9.50	\$5	N/A

*per call





*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER INTRODUCING ORDINANCE
ESTABLISHING A FEE RECOVERY SCHEDULE FOR THE LODI ENERGY
THEFT DIVERSION PROGRAM

PUBLISH DATE: SATURDAY, OCTOBER 8, 2011


LEGAL AD

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, OCTOBER 6, 2011

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ JMR MB (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER INTRODUCING ORDINANCE ESTABLISHING A FEE RECOVERY SCHEDULE FOR THE LODI ENERGY THEFT DIVERSION PROGRAM

On Thursday, October 6, 2011, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider introducing ordinance establishing a fee recovery schedule for the Lodi Energy Theft Diversion Program (attached and marked as Exhibit A), was posted at the following locations:

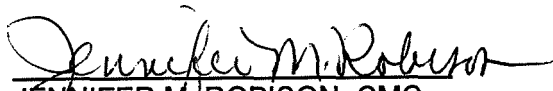
Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 6, 2011, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


**JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK**

**MARIA BECERRA
ADMINISTRATIVE CLERK**



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

Date: November 16, 2011

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, November 16, 2011**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Introduce an ordinance establishing a fee recovery schedule for the Lodi Energy Theft Diversion Program.**

Information regarding this item may be obtained in the Electric Utility Department, 1331 South Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl
City Clerk

Dated: October 5, 2011

Approved as to form:

D. Stephen Schwabauer
City Attorney